

Market: OMXC Small Cap

Ticker: GREENM

Share price (DKK): 30.0

Market cap (DKKm): 160.1

Net debt (DKKm): 135.3 (end 2023)

Enterprise value (DKKm): 295.5

## Share information



YTD: -16.9% 1 year: -47.4%  
1 month: -3.2% 3 years: -81.0%

Note: We apply the closing price from 19 April 2024 (Source: Refinitiv)

## Financials

(DKKm)	2022**	2023	2024E***
Revenue	75.6	94.6	115.0-125.0
Revenue growth	21%	25%	22-32%
EBITDA	-14.7	-6.8	N/A
EBITDA margin	-19.4%	-7.2%	N/A
Profit before tax	-38.9	-49.1	0.0-10.0
Pre-tax profit margin	-51%	-52%	0% to 9%
Cash	43.6	36.2	N/A
Interest-bearing debt*	201.4	171.6	N/A

Note: \*Interest-bearing debt includes lease liabilities. \*\*Restated 2022 figures. \*\*\*GreenMobility's own guidance for 2024.

## Valuation multiples

	2022	2023	2024E*
P/S (x)	2.6	2.0	1.3
EV/Sales (x)	4.7	3.5	2.5
EV/EBITDA (x)	-24.2	-48.2	N/A
EV/EBIT (x)	-9.8	-8.2	N/A
P/E (x)	-5.2	-3.9	N/A
P/B (x)	3.0	18.8	N/A
P/CF (x)	-4.0	-13.7	N/A

Note: Multiples for 2022 and 2023 are based on historical numbers. \*Multiples in 2024E are based on midpoint in GreenMobility's own guidance.

## Company description

Founded in 2016, GreenMobility is a car-sharing company within Mobility-as-a-Service. The company operates a fleet of approx. 1,400 electric vehicles with main activities in Copenhagen and Aarhus. GreenMobility's smart app solution allows users to open and rent cars by using their smartphones. GreenMobility has more than 260,000 registered customers in Q1 2024. After a period with a focus on growth and internationalization, the focus has now shifted to profitable growth in the home market.

## Investment case

GreenMobility taps into several megatrends, such as the sharing economy, sustainability, and urbanization, with electrical cars being a transportation activity and service in cities rather than an asset for the customers. Car-sharing can reduce the number of privately owned cars, suggesting that congested cities have a significant incentive to promote car-sharing solutions.

Since 2023, GreenMobility has continuously adapted its strategy focusing on profitable growth. As a result, markets outside Denmark have been closed. The company's primary market is Copenhagen after the exit of its main competitor in late 2023. The Danish markets have higher revenue per car, and GreenMobility also achieved positive operational cash flow from its continued operations in 2023.

The 2024 guidance highlights the strategy shift to profitable growth. Revenue is expected to grow 22-32% with profit before tax guidance of DKK 0-10m in 2024.

Looking at valuation, GreenMobility is currently valued at 2.5x EV/Sales (2024E) based on its current revenue guidance (midpoint). This implies that GreenMobility is valued above the broad peer group of listed companies based on the median EV/Sales (2024E) multiple of 1.3x. With the expectations of profitability, the relative valuation may shift from a focus on revenue multiples to earnings multiples in the coming years.

## Key investment reasons

On a macro level, the growing focus on green car-sharing solutions to address air pollution, traffic congestion, and reach net zero carbon emissions is expected to support GreenMobility's growth.

With the announcement of the exit of its main competitor in Copenhagen in late 2023, there is a much higher likelihood that GreenMobility can deliver on both profitability and growth. In 2023, when the competitor was still active in Copenhagen (approx. same size based on revenue), GreenMobility's fleet size increased by 18% with only a small decline in revenue per car. This supports that GreenMobility is well-positioned with its strategic decision to move more cars to Copenhagen.

Besides increasing visibility on the investment case, profitable growth is a better fit with current investor sentiment. If GreenMobility delivers on the 2024 guidance, it could establish a healthier future growth story.

## Key investment risks

Other competitors can choose to seize the opportunity created by the closure of the biggest competitor in Copenhagen. However, this risk is mitigated by the high price of growth capital, industry profitability focus, and a first-mover/dominant position by GreenMobility, currently closing the gap in Copenhagen with more cars.

In the short term, falling prices on EVs create a risk of losses on the current fleet. Looking ahead, the company has changed its strategy on new additions to the fleet where GreenMobility no longer carries the risk of price fluctuations. In the long run, falling prices of EVs will create opportunities.

Lower-than-expected economic growth and falling consumer sentiment could lower the transportation demand in Denmark. This could postpone GreenMobility's profitability expectations and potentially lead to the risk of further capital requirements.

## Peer group

Company	Currency	Price (local)	Total return		Market cap (EURm)	Net debt (EURm)	EV/Sales (x)		Revenue growth (%)		EV/EBITDA (x)	
			YTD (%)	2023			2024E	2023	2024E	2023	2024E	
Donkey Republic A/S	DKK	6.5	23.8%		21.1	6.2	2.2	1.3	70%	28%	16.3	9.1
Uber Technologies Inc	USD	69.2	12.4%		135,007.5	3,835.6	4.0	3.5	17%	16%	37.0	24.9
Lyft Inc	USD	16.2	7.7%		6,051.9	-664.7	1.3	1.1	8%	17%	25.7	16.8
<b>Average</b>			<b>14.6%</b>		<b>47,026.8</b>	<b>1,059.0</b>	<b>2.5</b>	<b>2.0</b>	<b>32%</b>	<b>20%</b>	<b>26.4</b>	<b>16.9</b>
<b>Median</b>			<b>12.4%</b>		<b>6,051.9</b>	<b>6.2</b>	<b>2.2</b>	<b>1.3</b>	<b>17%</b>	<b>17%</b>	<b>25.7</b>	<b>16.8</b>
<b>GreenMobility A/S</b>	<b>DKK</b>	<b>30.0</b>	<b>-16.9%</b>		<b>21.5</b>	<b>18.1</b>	<b>3.5</b>	<b>2.5</b>	<b>25%</b>	<b>27%</b>	<b>-48.2</b>	<b>N/A</b>

Note: We apply GreenMobility's own 2024 revenue guidance (midpoint) and Donkey Republic's own 2024 guidance (midpoint). Other estimates are based on analyst mean estimates from Refinitiv. Data is extracted from 19 April 2024, and net debt is latest reported. Source: HC Andersen Capital, company reports, and Refinitiv.

# Appendix: Peer group

**Peer group selection:** GreenMobility operates in a highly dynamic market with several different players. In this overview, we primarily apply GreenMobility's prospectus from the Main Market listing in 2020. Even though GreenMobility mainly operates in the free-floating car-sharing market, the free-floating market is affected by competition from other on-demand mobility segments like micro-mobility, stationary, and car-hailing. For perspectives on valuation multiples, the peer group contains listed companies within the micro-mobility and car-hailing market. We exclude some companies, as we cannot find or extract updated and relevant financial information on these.

Below, we have shortly described the companies used in the peer group for perspective. Note that some companies are significantly larger than GreenMobility, and the peer group landscape may change and vary across geographies.

DonkeyRepublic Holding A/S: Looking at the Danish stock market, Donkey Republic operates in the micro-mobility segment, providing an end-to-end bike-sharing solution. For perspective in the peer group, it is assumed that GreenMobility and Donkey Republic meet some of the same needs for residents in larger cities who want to quickly transport themselves over shorter distances.

Uber Technologies Inc: As shown in GreenMobility's Main Market prospectus, Uber operates in the car-hailing market in competition with local taxi companies. Note also that Uber is significantly larger than GreenMobility, implying that the company is less comparable. However, the car-hailing market affects the free-floating car-sharing market, why the comparison contributes to perspective in the peer group analysis.

Lyft Inc: Like Uber, Lyft operates in the car-hailing market and is significantly larger than GreenMobility. Lyft is the second-largest ride-sharing service provider in North America after Uber, connecting riders and drivers over the Lyft app.

**Estimates and assumptions:** Some of the data in the peer group has not been calculated by HC Andersen Capital but is instead consensus analyst estimates from Refinitiv. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers Refinitiv a credible source of information.